Adopted Rejected

COMMITTEE REPORT

YES: 12 NO: 0

MR. SPEAKER:

Your Committee on <u>Public Health</u>, to which was referred <u>House Bill 1842</u>, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

1	Delete the title and insert the following:
2	A BILL FOR AN ACT to amend the Indiana Code concerning state
3	offices and administration and to make an appropriation.
4	Page 1, between the enacting clause and line 1, begin a new
5	paragraph and insert:
6	"SECTION 1. IC 4-12-1-14.3, AS AMENDED BY P.L.21-2000,
7	SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8	JULY 1, 2001]: Sec. 14.3. (a) As used in this section, "master
9	settlement agreement" has the meaning set forth in IC 24-3-3-6.
10	(b) There is hereby created the Indiana tobacco master settlement
11	agreement fund for the purpose of depositing and distributing money
12	received under the master settlement agreement. The fund consists of:
13	(1) all money received by the state under the master settlement
14	agreement;
15	(2) appropriations made to the fund by the general assembly; and

1	(3) grants, gifts, and donations intended for deposit in the fund.
2	(c) Money may be expended, transferred, or distributed from the
3	fund during a state fiscal year only in amounts permitted by subsections
4	(d) through (e), and only if the expenditures, transfers, or distributions
5	are specifically authorized by another statute.
6	(d) The maximum amount of expenditures, transfers, or distributions
7	that may be made from the fund during the state fiscal year beginning
8	July 1, 2000, is determined under STEP THREE of the following
9	formula:
10	STEP ONE: Determine the sum of money received or to be
11	received by the state under the master settlement agreement
12	before July 1, 2001.
13	STEP TWO: Subtract from the STEP ONE sum the amount
14	appropriated by P.L.273-1999, SECTION 8, to the children's
15	health insurance program from funds accruing to the state from
16	the tobacco settlement for the state fiscal years beginning July 1,
17	1999, and July 1, 2000.
18	STEP THREE: Multiply the STEP TWO remainder by fifty
19	percent (50%).
20	(e) The maximum amount of expenditures, transfers, or distributions
21	that may be made from the fund during the state fiscal year beginning
22	July 1, 2001, and each state fiscal year after that is equal to: sixty
23	percent (60%) of determined under STEP FOUR of the following
24	formula:
25	STEP ONE: Determine the amount of money received or to be
26	received by the state under the master settlement agreement
27	during that state fiscal year.
28	STEP TWO: Subtract from the STEP ONE amount the
29	amount appropriated to the children's health insurance
30	program for that state fiscal year from funds accruing to the
31	state from the tobacco settlement.
32	STEP THREE: Multiply the STEP TWO remainder by
33	seventy-five percent (75%).
34	STEP FOUR: Add to the STEP THREE product any amounts
35	that were available for expenditure, transfer, or distribution
36	under this subsection or subsection (d) during preceding state
37	fiscal years but that were not expended, transferred, or
38	distributed.

(f) The following amounts shall be retained in the fund and may not be expended, transferred, or otherwise distributed from the fund:

- (1) All of the money that is received by the state under the master settlement agreement and remains in the fund after the expenditures, transfers, or distributions permitted under subsections (c) through (e).
- (2) All interest that accrues from investment of money in the fund, unless specifically appropriated by the general assembly. **Interest** that is appropriated from the fund by the general assembly shall not be considered in determining the maximum amount of expenditures, transfers, or distributions under subsection (e).
- (g) The fund shall be administered by the budget agency. Notwithstanding IC 5-13, the treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as money is invested by the public employees retirement fund under IC 5-10.3-5. The treasurer of state may contract with investment management professionals, investment advisors, and legal counsel to assist in the management investment of the fund and may pay the state expenses incurred under those contracts from the fund. Interest that accrues from these investments shall be deposited in the fund. Money in the fund at the end of the state fiscal year does not revert to the state general fund.
- (h) Amounts appropriated for the regional health facilities construction account shall be transferred before any other expenditures, transfers, or distributions are made from the fund.
- (i) The state general fund is not liable for payment of a shortfall in expenditures, transfers, or distributions from the Indiana tobacco master settlement agreement fund or any other fund due to a delay, reduction, or cancellation of payments scheduled to be received by the state under the master settlement agreement. If such a shortfall occurs in any state fiscal year, all the budget agency shall make the full transfer to the regional health facilities construction account and then reduce all remaining expenditures, transfers, and distributions affected by the shortfall. shall be reduced proportionately.

SECTION 2. IC 4-12-4-10, AS ADDED BY P.L.21-2000, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 10. (a) The Indiana tobacco use prevention and

1 cessation trust fund is established. The executive board may expend 2 money from the fund and make grants from the fund to implement the 3 long range state plan established under this chapter. General operating 4 and administrative expenses of the executive board are also payable 5 from the fund.

(b) The fund consists of:

- (1) amounts, if any, that another statute requires to be distributed to the fund from the Indiana tobacco master settlement agreement fund;
- (2) appropriations to the fund from other sources;
 - (3) grants, gifts, and donations intended for deposit in the fund; and
 - (4) interest that accrues from money in the fund.
 - (c) The fund shall be administered by the executive board. Notwithstanding IC 5-13, the treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as money is invested by the public employees retirement fund under IC 5-10.3-5. The treasurer of state may contract with investment management professionals, investment advisors, and legal counsel to assist in the management investment of the fund and may pay the state expenses incurred under those contracts from the fund. Money in the fund at the end of a state fiscal year does not revert to the state general fund.
 - (d) All income and assets of the executive board deposited in the fund are for the use of the executive board without appropriation.".

Page 5, line 13, strike "committee." and insert "board.".

Page 6, between lines 23 and 24, begin a new paragraph and insert: "SECTION 11. IC 4-12-6-4, AS ADDED BY P.L.21-2000, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 4. Subject to appropriation by the general assembly, review by the budget committee, and approval by the budget agency, the treasurer of state shall distribute money from the fund account to public and private entities to support biomedical technology and basic research initiatives, giving priority to initiatives that address tobacco related illnesses and that leverage matching dollars from federal or private sources."

Page 9, after line 7, begin a new paragraph and insert:

38 "SECTION 21. IC 4-12-8.5 IS ADDED TO THE INDIANA CODE

1	AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
2	UPON PASSAGE]:
3	Chapter 8.5. Regional Health Care Construction Account
4	Sec. 1. As used in this chapter, "account" refers to the regional
5	health care construction account established within the Indiana
6	tobacco master settlement agreement fund by section 3 of this
7	chapter.
8	Sec. 2. As used in this chapter, "master settlement agreement"
9	has the meaning set forth in IC 24-3-3-6.
10	Sec. 3. (a) The regional health care construction account is
11	established for the purpose of providing funding for state
12	psychiatric hospitals and developmental centers, regional health
13	centers, or other health facilities designed to provide crisis
14	treatment, rehabilitation, or intervention for adults or children
15	with mental illness, developmental disabilities, addictions, or other
16	medical or rehabilitative needs. The account consists of:
17	(1) amounts, if any, that any statute requires to be distributed
18	to the account from the Indiana tobacco master settlement
19	fund;
20	(2) appropriations to the account from other sources; and
21	(3) grants, gifts, and donations intended for deposit in the
22	account.
23	(b) Beginning January 1, 2001, fourteen million dollars
24	(\$14,000,000) shall be transferred during each calendar year from
25	the Indiana tobacco master settlement fund to the account.
26	(c) The account shall be administered by the budget agency.
27	Money in the account at the end of the state fiscal year does not
28	revert to the general fund and remains available for expenditure.
29	(d) Money in the account may be used for:
30	(1) the construction, equipping, renovation, demolition,
31	refurbishing, or alteration of existing or new state hospitals,
32	regional health centers, other health facilities; or
33	(2) lease rentals to the state office building commission or
34	other public or private providers of such facilities.
35	(e) Money in the account shall be used to pay any outstanding
36	lease rentals before making any other payments from the account.
37	(f) Money in this account is annually appropriated for the
38	purposes described in this chapter.

SECTION 22. IC 4-12-9-2, AS ADDED BY P.L.21-2000, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 2. (a) The tobacco farmers and rural community impact fund is established. The fund shall be administered by the commissioner of agriculture and the department of commerce. The fund consists of:

- (1) amounts, if any, that another statute requires to be distributed to the fund from the Indiana tobacco master settlement agreement fund;
- 10 (2) appropriations to the fund from other sources;

- (3) grants, gifts, and donations intended for deposit in the fund; and
 - (4) interest that accrues from money in the fund.
- (b) The expenses of administering the fund shall be paid from money in the fund.
- (c) Notwithstanding IC 5-13, the treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as money is invested by the public employees retirement fund under IC 5-10.3-5. The treasurer of state may contract with investment management professionals, investment advisors, and legal counsel to assist in the management of the fund and may pay the state expenses incurred under those contracts.
- (d) Money in the fund at the end of the state fiscal year does not revert to the state general fund and remains available for expenditure.

SECTION 23. IC 4-13.5-1-1, AS AMENDED BY P.L.273-1999, SECTION 191, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. As used in this article:

"Commission" refers to the state office building commission.

"Construction" means the erection, renovation, refurbishing, or alteration of all or any part of buildings, improvements, or other structures, including installation of fixtures or equipment, landscaping of grounds, site work, and providing for other ancillary facilities pertinent to the buildings or structures.

"Correctional facility" means a building, a structure, or an improvement for the custody, care, confinement, or treatment of committed persons under IC 11.

"Department" refers to the Indiana department of administration.

"Mental health facility" means a building, a structure, or an improvement for the care, maintenance, or treatment of persons with mental or addictive disorders.

"Facility" means all or any part of one (1) or more buildings, structures, or improvements (whether new or existing), or parking areas (whether surface or an above or below ground parking garage or garages), owned or leased by the commission or the state for the purpose of:

- (1) housing the personnel or activities of state agencies or branches of state government;
- (2) providing transportation or parking for state employees or persons having business with state government;
- (3) providing a correctional facility; or

1 2

- (4) providing a mental health facility; or
- (5) providing a regional health facility.

"Person" means an individual, a partnership, a corporation, a limited liability company, an unincorporated association, or a governmental entity.

"Regional health facility" means a building, a structure, or an improvement for the care, maintenance, or treatment of adults or children with mental illness, developmental disabilities, addictions, or other medical or rehabilitative needs.

"State agency" means an authority, a board, a commission, a committee, a department, a division, or other instrumentality of state government but does not include a state educational institution (as defined in IC 20-12-0.5-1).

SECTION 24. IC 4-30-11-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 7. Holders of lottery tickets are entitled to claim prizes for one hundred eighty (180) days after the drawing or at the end of the lottery game play in which the prize was won. However, with respect to a game in which the player may determine instantly if the player has won or lost, the right to claim prizes exists for sixty (60) days after the end of the lottery game:

- (1) stated on the tickets for the lottery game; or
- (2) announced in a notice from the commission to all retailers, if no ending date for the lottery game is stated on the tickets for the lottery game.

If a valid claim is not made for a prize within the applicable period, the

prize is considered an unclaimed prize for purposes of section 9 of this chapter.

SECTION 25. IC 4-30-11-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 9. Before the last business day of each month, the commission shall transfer all unclaimed prize money shall be added to the pool from which future prizes are to be awarded or used for special prize promotions: to the treasurer of state for deposit in the Indiana prescription drug account established under IC 4-12-8.

SECTION 26. IC 12-10-16-1, AS ADDED BY P.L.21-2000, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. "Fund" "Account" refers to the Indiana prescription drug fund account established under IC 4-12-8.

SECTION 27. IC 12-10-16-6, AS ADDED BY P.L.21-2000, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 6. The administrative expenses and benefit costs of the program shall be paid from the fund. account.

SECTION 28. P.L.21-2000, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: SECTION 12. (a) All money remaining in the tobacco settlement fund on June 30, 2000, shall be transferred to the Indiana tobacco master settlement agreement fund established by IC 4-12-1-14.3, as amended by this act, on July 1, 2000.

- (b) Notwithstanding P.L.273-1999 or IC 4-12-1-14.3, as amended by this act, the appropriations made by P.L.273-1999, SECTION 8, for the state fiscal year beginning July 1, 2000, for CHILDREN'S HEALTH INSURANCE PROGRAM (CHIP) ASSISTANCE and CHILDREN'S HEALTH INSURANCE PROGRAM (CHIP) ADMINISTRATION:
 - (1) are payable from the Indiana tobacco master settlement agreement fund established by IC 4-12-1-14.3, as amended by this act; and
- (2) are not subject to the limitation on expenditures from the fund under IC 4-12-1-14.3(d), as amended by this act.
- (c) The following amounts are appropriated from the Indiana tobacco master settlement agreement fund established by IC 4-12-1-14.3, as amended by this act, for the period beginning July 1, 2000, and ending June 30, 2001:

- (1) Thirty-five million dollars (\$35,000,000) to be transferred to the Indiana tobacco use prevention and cessation fund for tobacco education, prevention, and use control. However, two million five hundred thousand dollars (\$2,500,000) of this amount must be used to fund minority organizations, agencies, and businesses to implement minority prevention and intervention programs.
- (2) Twenty million dollars (\$20,000,000) to be transferred to the Indiana prescription drug fund account for pharmaceutical assistance for low income senior citizens.
- (3) Fifteen million dollars (\$15,000,000) to the state department of health for total operating expenses for either or both of the following purposes:
 - (A) Community health centers.

- (B) Primary health care centers for children.
- (d) Ten million dollars (\$10,000,000) is appropriated from the Indiana tobacco master settlement agreement fund established by IC 4-12-1-14.3, as amended by this act, to the state department of health to cover capital costs for the period beginning July 1, 2000, and ending June 30, 2002, for community health centers. **Unspent balances in this appropriation do not revert to the Indiana tobacco master settlement agreement fund until June 30, 2004.**
- (e) In addition to the money appropriated under IC 6-7-1-30.5 and under P.L.273-1999, SECTION 8, one million five hundred thousand dollars (\$1,500,000) shall be transferred from the Indiana tobacco master settlement agreement fund established by IC 4-12-1-14.3, as amended by this act, to the local health maintenance fund established by IC 16-46-10-1 and is appropriated for total operating expenses of the local health maintenance fund beginning July 1, 2000, and ending June 30, 2001. The appropriation made under this subsection shall be used to make supplemental grants, in addition to the grants provided under IC 16-46-10-2, under the following schedule to each local board of health whose application for funding is approved by the state board of health:

34	COUNTY POPULATION	AMOUNT OF GRANT
35	over - 499,999	\$ 36,000
36	100,000 - 499,999	24,000
37	50,000 - 99,999	20,000
38	under - 50,000	14,000

1	SECTION 29. P.L.21-2000, SECTION 13, IS AMENDED TO		
2	READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: SECTION		
3	13. (a) The Indiana University School of Medicine shall submit		
4	proposed criteria and cost estimates to the Indiana health care trust		
5	fund account advisory board concerning the establishment and funding		
6	of a research project to determine the causes and tendencies of nicotine		
7	addiction and withdrawal from nicotine addiction.		
8	(b) The Indiana minority health coalition and Martin University		
9	shall submit proposed criteria and cost estimates to the Indiana health		
10	care trust fund account advisory board concerning the establishment		
11	and funding of a minority epidemiology resource center.		
12	(c) This SECTION expires July 1, 2003.		
13	SECTION 30. P.L.21-2000, SECTION 15, IS AMENDED TO		
14	READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: SECTION		
15	15. (a) The Indiana prescription drug advisory committee is established		
16	to:		
17	(1) study pharmacy benefit programs and proposals, including		
18	programs and proposals in other states; and		
19	(2) make initial and ongoing recommendations to the governor for		
20	programs that address the pharmaceutical costs of low-income		
21	senior citizens.		
22	(b) The committee consists of eleven (11) members appointed by		
23	the governor and four (4) legislative members. The term of each		
24	member expires December 31, 2001. The members of the committee		
25	appointed by the governor are as follows:		
26	(1) A physician with a specialty in geriatrics.		
27	(2) A pharmacist.		
28	(3) A person with expertise in health plan administration.		
29	(4) A representative of an area agency on aging.		
30	(5) A consumer representative from a senior citizen advocacy		
31	organization.		
32	(6) A person with expertise in and knowledge of the federal		
33	Medicare program.		
34	(7) A health care economist.		
35	(8) A person representing a pharmaceutical research and		
36	manufacturing association.		
37	(9) Three (3) other members as appointed by the governor.		
38	The four (4) legislative members shall serve as nonvoting members.		

- 1 The speaker of the house of representatives and the president pro
- tempore of the senate shall each appoint two (2) legislative members,
- 3 who may not be from the same political party, to serve on the
- 4 committee.
- 5 (c) The governor shall designate a member to serve as chairperson. A
- 6 vacancy with respect to a member shall be filled in the same manner as
- 7 the original appointment. Each member is entitled to reimbursement for
- 8 traveling expenses and other expenses actually incurred in connection
- 9 with the member's duties. The expenses of the committee shall be paid
- from the Indiana pharmaceutical assistance fund prescription drug
- account created by IC 4-12-8, as added by this act. The office of the
- secretary of family and social services shall provide staff for the
- committee. The committee is a public agency for purposes of
- 14 IC 5-14-1.5 and IC 5-14-3. The advisory council is a governing body
- 15 for purposes of IC 5-14-1.5.

17

18

19

20

21

22

23

24

- (d) Not later than September 1, 2000, the board shall make program design recommendations to the governor and the family and social services administration concerning the following:
 - (1) Eligibility criteria, including the desirability of incorporating an income factor based on the federal poverty level.
 - (2) Benefit structure.
- (3) Cost-sharing requirements, including whether the program should include a requirement for copayments or premium payments.
- 25 (4) Marketing and outreach strategies.
- 26 (5) Administrative structure and delivery systems.
- 27 (6) Evaluation.
- (e) The recommendations shall address the following:
- 29 (1) Cost-effectiveness of program design.
- 30 (2) Coordination with existing pharmaceutical assistance programs.
- 32 (3) Strategies to minimize crowd-out of private insurance.
- (4) Reasonable balance between maximum eligibility levels and
 maximum benefit levels.
- (5) Feasibility of a health care subsidy program where the amount
 of the subsidy is based on income.
- (6) Advisability of entering into contracts with health insurancecompanies to administer the program.

- (f) The committee may not recommend the use of funds from the Indiana pharmaceutical assistance fund prescription drug account for a state prescription drug benefit for low-income senior citizens if there is a federal statute or program providing a similar prescription drug benefit for the benefit of low-income senior citizens.
 - (g) This SECTION expires December 31, 2001.

- SECTION 31. [EFFECTIVE JULY 1, 2001] (a) As used in this SECTION, "total operating expense" has the meaning set forth in P.L.273-1999, SECTION 1.
- (b) There is appropriated to the tobacco use prevention and cessation fund five million dollars (\$5,000,000) from the tobacco master settlement agreement fund for total operating expense for the tobacco use prevention and cessation board beginning July 1, 2001, and ending June 30, 2002.
- (c) There is appropriated to the tobacco use prevention and cessation fund twenty-five million dollars (\$25,000,000) from the tobacco master settlement agreement fund for total operating expense for the tobacco use prevention and cessation board beginning July 1, 2002, and ending June 30, 2003.
- (d) There is appropriated to the local health maintenance fund seven hundred thousand dollars (\$700,000) from the tobacco master settlement agreement fund for total operating expense beginning July 1, 2001, and ending June 30, 2002. This appropriation does not include the appropriation provided for this purpose in IC 6-7-1-30.5
- (e) There is appropriated to the local health maintenance fund seven hundred thousand dollars (\$700,000) from the tobacco master settlement agreement fund for total operating expense beginning July 1, 2002, and ending June 30, 2003. This appropriation does not include the appropriation provided for this purpose in IC 6-7-1-30.5
- (f) There is appropriated to the commissioner of agriculture and the department of agriculture five million seven hundred thousand dollars (\$5,700,000) from the tobacco master settlement agreement fund for total operating expense for the tobacco farmers and rural community impact fund beginning July 1, 2001, and ending June 30, 2002.
- 38 (g) There is appropriated to the commissioner of agriculture

and the department of agriculture five million seven hundred thousand dollars (\$5,700,000) from the tobacco master settlement agreement fund for total operating expense for the tobacco farmers and rural community impact fund beginning July 1, 2002, and ending June 30, 2003.

- (h) There is appropriated to the state department of health fifteen million dollars (\$15,000,000) from the tobacco master settlement agreement fund for total operating expense for community health centers beginning July 1, 2001, and ending June 30, 2002.
- (i) There is appropriated to the state department of health seventeen million dollars (\$17,000,000) from the tobacco master settlement agreement fund for total operating expense for community health centers beginning July 1, 2002, and ending June 30, 2003. One million dollars (\$1,000,000) of this appropriation may be used for capital projects for community health centers.
 - (j) There is appropriated to the budget agency:
 - (1) ten million dollars (\$10,000,000) from the tobacco master settlement agreement fund; and
 - (2) five million dollars (\$5,000,000) from the Indiana prescription drug account;

for total operating expense for the Indiana prescription drug program beginning July 1, 2001, and ending June 30, 2002. The governor and the budget agency are authorized to add to this appropriation from the revenues accruing to the funds from which the appropriation was made.

- (k) There is appropriated to the budget agency:
 - (1) twenty million dollars (\$20,000,000) from the tobacco master settlement agreement fund; and
 - (2) five million dollars (\$5,000,000) from the Indiana prescription drug account;

for total operating expense for the Indiana prescription drug program beginning July 1, 2002, and ending June 30, 2003. The governor and the budget agency are authorized to add to this appropriation from the revenues accruing to the funds from which the appropriation was made.

(1) There is appropriated to the budget agency thirty-eight million seven hundred thousand dollars (\$38,700,000) from the

tobacco master settlement agreement fund for total operating expense for the Indiana health care advisory board beginning July 1, 2001, and ending June 30, 2002. This appropriation includes thirty-one million seven hundred thousand dollars (\$31,700,000) for the children's health insurance program state match. The governor and the budget agency are authorized to add to this appropriation from the revenues accruing to the fund from which the appropriation was made.

- (m) There is appropriated to the budget agency forty-four million dollars (\$44,000,000) from the tobacco master settlement agreement fund for total operating expense for the Indiana health care advisory board beginning July 1, 2002, and ending June 30, 2003. This appropriation includes thirty-seven million dollars (\$37,000,000) for the children's health insurance program state match. The governor and the budget agency are authorized to add to this appropriation from the revenues accruing to the funds from which the appropriation was made.
- (n) There is appropriated to the family and social services administration forty-nine million six hundred forty-nine thousand five hundred forty-six dollars (\$49,649,546) from the tobacco master settlement agreement fund for total operating expense for developmentally disabled client services for the biennium beginning July 1, 2001, and ending June 30, 2003.
- SECTION 32. An emergency is declared for this act.".
- 25 Renumber all SECTIONS consecutively.

(Reference is to HB 1842 as introduced.)

and when so amended that said bill do pass.

Representative Brown C